

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7441**

**BILL NUMBER: SB 405**

**NOTE PREPARED:** Jan 13, 2003

**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Documentation and Sales.

**FIRST AUTHOR:** Sen. Clark

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill: (1) requires a motor vehicle dealer, under certain circumstances, to furnish a valid certificate of title to a purchaser or transferee not more than 50 days after the date of sale or transfer; (2) requires an assembled vehicle to bear an identification number and requires certain information on its certificate of title; (3) requires permission from the Bureau of Motor Vehicles (BMV) to place a special identification number on a motor vehicle that does not bear its original or unaltered identification number; (4) makes it a Class D felony to fail to obtain a special identification number and make application to the BMV for a certificate of title for a privately assembled vehicle; (5) repeals language regarding procedure for an application to the BMV for a missing manufacturer's identification number on a motor vehicle; (6) requires an insurance company to apply to the BMV for a certificate of salvage title for certain salvaged or stolen vehicles; (7) provides that the BMV may not issue an offsite sale license to certain motor vehicle dealers; (8) makes it an unfair practice for a person to act as a broker in the advertising, buying, or selling of at least 12 new or used vehicles per year; and (9) makes conforming amendments.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (4) *The bill makes it a Class D felony to fail to obtain a special identification number and make application to the BMV for a certificate of title for a privately assembled vehicle.*

*Penalty Provision:* The proposal changes the violation of IC 9-17-4 from a Class C infraction to a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$25,087 in FY 2001. Individual facility expenditures ranged from \$18,520 to \$54,465. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The

average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** (8) *The bill makes it an unfair practice for a person to act as a broker in the advertising, buying, or selling of at least 12 new or used vehicles per year.* IC 9-23-6-4 provides for a civil penalty of not less than \$50 and not more than \$1,000 for each day of violation for each act of violation, as determined by the court. Civil penalties are deposited into the state General Fund. In addition, IC 9-23-6-1 provides for a Class B misdemeanor for violation of this article.

**Penalty Provision:** If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

The maximum fine for a Class D felony is \$10,000. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** **Penalty Provision:** If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** **Penalty Provision:** For Class D felonies and Class B misdemeanors, if additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record (For Class C infractions, the court fee is only \$70). Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.